



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: December 16, 2013

TO: Members of the State Tax Commission

FROM: Kelli Sobel, Executive Director

SUBJECT: Pipeline Economic Factor

In 2010, the State Tax Commission approved an economic factor for ANR Pipeline and Mid-Michigan Gas Storage. Those factors began for the 2011 year at 65% and moved in increments of 5% down to 50% for the 2014 year. We discussed a possible factor for Great Lakes Gas Transmission and determined at that point, a factor was not indicated for Great Lakes Gas Transmission.

Recently, representatives from the pipeline companies contacted our office to discuss a possible factor for Great Lakes Gas Transmission. At that meeting, they presented information that supports a 40% factor for Great Lakes Gas Transmission for the 2014 year. They also presented information that would support the same factor for ANR Pipeline and Mid-Michigan Gas Storage, but in recognition of our agreement from 2010, they did not ask for the 2014 factor to be changed for those two companies.

I am recommending the State Tax Commission adopt a 40% economic factor for 2014 for Great Lakes Gas Transmission and in addition amend the prior factor adopted for 2014 for ANR Pipeline and Mid-Michigan Gas Storage to 40%.